

1		<u>I</u>	<u>N</u>	<u>D</u>	<u>E</u>	<u>X</u>			
2	<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>	<u>direct</u>	<u>cross</u>		Re-	Re-	By
3	Mark Shmikler	4	12						<u>Examiner</u>
4									
5									
6									
7		<u>E</u>	<u>X</u>	<u>H</u>	<u>I</u>	<u>B</u>	<u>I</u>	<u>T</u>	<u>S</u>
8	<u>Number</u>	<u>For Identification</u>							<u>In Evidence</u>
9	None so marked.								
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1 JUDGE SAINSOT: By the authority vested in me
2 by the Illinois Commerce Commission, I now call
3 Docket No. 02-0557. It is the application of EZ
4 RECONNECT, LLC, for certificates of local and
5 interexchange authority to operate as a
6 facilities-based and reseller carrier of
7 telecommunications services in the state of
8 Illinois.

9 Will the parties identify themselves for
10 the record, please.

11 MR. CROCKER: Yes. Patrick Crocker with the
12 law firm of Early Lennon Crocker & Bartosiewicz,
13 B-a-r-t-o-s-i-e-w-i-c-z. And our address is 900
14 Comercia Building, that's C-o-m-e-r-i-c-a,
15 building, and that's Kalamazoo,
16 K-a-l-a-m-a-z-o-o, Michigan 49007. And we're
17 appearing on behalf of the Applicant, EZ
18 RECONNECT, LLC today.

19 And we have one witness today and it is
20 an individual by the name of Mark Shmikler,
21 that's S-h-m-i-k-l-e-r, and that's it.

22 JUDGE SAINSOT: Okay. Mr. Crocker, you are

1 intending to present -- to ask Mr. Shmikler some
2 questions?

3 MR. CROCKER: That is correct, your Honor.

4 JUDGE SAINSOT: Okay. Mr. Shmikler, could you
5 raise your right hand please.

6 (Witness sworn.)

7 JUDGE SAINSOT: Okay. Thank you,
8 Mr. Shmikler.

9 You can proceed, Mr. Crocker.

10 MR. CROCKER: Thank you, your Honor.

11 A MARK SHMIKLER,
12 called as a witness herein, having been first
13 duly sworn, was examined and testified as
14 follows:

15 DIRECT EXAMINATION

16 BY

17 MR. CROCKER:

18 Q. Could you please state your name and
19 business address for the record.

20 A. Yes. It's Mark Shmikler, spelled,
21 S-h-m-i-k-l-e-r, we're located at 10061 South
22 76th Avenue, Bridgeview, Illinois 60455.

1 Q. And what is your occupation?

2 A. President of EZ RECONNECT, LLC.

3 Q. Okay. And is the purpose of your

4 testimony to describe the nature of your

5 company's business and to demonstrate your

6 company's financial, managerial and technical

7 ability to provide local and long-distance

8 service --

9 A. Yes.

10 Q. -- in Illinois?

11 A. Yes, it is.

12 Q. Could you please briefly describe the

13 nature of the telecommunications services that

14 your company intends to offer customers in

15 Illinois.

16 A. We intend to offer both local and

17 long-distance service.

18 Q. In what state is your company organized?

19 A. Illinois.

20 Q. Could you please briefly describe your

21 background in business and telecommunications.

22 A. In both business and telecommunications?

1 Q. Sure.

2 A. I've owned and operated a number of
3 businesses. I was founder of a catering company
4 which I sold about 12 years ago which proved to
5 be about the largest catering company in
6 Illinois.

7 After that I went into the -- I bought a
8 small company and built it to be the third
9 largest pay phone provider in the state of
10 Illinois -- private pay phone provider which is
11 called Illinois Pay Phone Systems, Inc., which I
12 am still president of and still operate.

13 That's -- I mean, Illinois Pay Phone has
14 given me extensive background in
15 telecommunications.

16 Q. Could you please identify the current
17 management team and responsibilities of each for
18 this Applicant.

19 A. Currently it's myself. And my
20 responsibilities I take on is being in charge of
21 just about everything that happens from
22 marketing, technical. And the other person is

1 Dan Gentile, G-e-n-t-i-l-e, who's the vice
2 president and will be primarily focused on
3 operations and network applications and customer
4 service.

5 Q. Will the company offer operated services
6 in Illinois?

7 A. No, it won't.

8 Q. Will the company provide
9 telecommunications services to customers in
10 Illinois in accordance with the terms, rates and
11 conditions set forth in the company-approved
12 tariff?

13 A. Yes, it will.

14 Q. Has the company's financial circumstances
15 adversely changed subsequent to the filing of
16 this application?

17 A. No.

18 Q. Has the company provided
19 telecommunications services in Illinois?

20 A. No, it hasn't.

21 Q. Has the company billed in Illinois under
22 any other name?

1 A. No.

2 Q. Will the company -- how will the company
3 bill for services?

4 A. We'll bill directly to the customers and
5 bill monthly.

6 Q. Will the company's name appear on the
7 bill?

8 A. Yes, it will.

9 Q. Will a toll-free number to contact the
10 company appear on the bill?

11 A. Yes, it will.

12 Q. Who will provide customer repair service
13 for the company?

14 A. Primarily Ameritech.

15 Q. And how many people does the company
16 employ?

17 A. Currently two.

18 Q. Has the company signed and returned the
19 Universal Telephone Assistance Corporation and
20 the Illinois Telecommunications Access forms to
21 the Commission Staff?

22 A. Yes.

1 Q. And is it your recollection that those
2 forms are attached to the application?

3 A. Yes.

4 Q. How does the company plan to solicit
5 customers once it begins to provide local
6 service?

7 A. A variety of ways through telemarketing,
8 newspaper advertising, possibly media. And also
9 we intend on putting advertising on our pay
10 phones throughout Chicago and throughout the
11 state of Illinois.

12 Q. And that would be the pay phones of
13 Illinois Pay Phones Systems, Inc.?

14 A. Yes. And also the pay phones of DialCom,
15 Inc., (phonetic), which is another company that
16 Mr. Gentile owns.

17 Q. Will the company abide by federal and
18 state slamming laws?

19 A. Absolutely.

20 Q. And I realize you're in start-up mode,
21 have you or are you in the process of developing
22 written guidelines to prevent unauthorized

1 slamming of local exchange customers?

2 A. Yes.

3 Q. Have any complaints or judgments been
4 levied against the company?

5 A. No.

6 Q. And I want to draw your attention to the
7 application and I want to draw your attention to
8 question No. 16.

9 A. Yes.

10 Q. Does any officer of the Applicant have an
11 ownership or any interest in any entity which is
12 provided or is currently providing
13 telecommunications services?

14 A. Yes.

15 Q. And is it -- could you name those
16 companies?

17 A. Sure. Myself and Mr. Gentile own small
18 percentages in a company called Data Net Systems,
19 LLC, which is one of the businesses there, it
20 provides CLEC services.

21 MR. CROCKER: And to the extent -- your Honor,
22 to the extent that our firm has failed to answer

1 No. 16, I'd like the record to reflect that the
2 answer is -- as stated by my witness here.

3 JUDGE SAINSOT: Any objection to that,
4 Miss Chin?

5 MS. CHIN: No, your Honor.

6 JUDGE SAINSOT: Okay. Thanks.

7 MR. CROCKER: And in addition, your Honor, I
8 have already asked our witness question No. 17
9 which, again, our firm had failed to provide an
10 answer for for some reason, I have idea why on
11 the application.

12 JUDGE SAINSOT: Okay. It is so noted. Thank
13 you.

14 MR. CROCKER: And one final revision your
15 Honor, here, question No. 20.

16 BY MR. CROCKER:

17 Q. Mr. Shmikler, do you have a toll-free
18 number and could you provide a toll-free number
19 for purposes of satisfying question No. 20?

20 A. Yes. We do have and will have several but
21 the primary number is (888) 439-7326 and from a
22 marketing standpoint that will be

1 (888) 4-EZ RECONNECT.

2 MR. CROCKER: Okay. Your Honor, I have no
3 further questions at this time.

4 JUDGE SAINSOT: Miss Chin?

5 CROSS-EXAMINATION

6 BY

7 MS. CHIN:

8 Q. My name is Karen Chin, I'm a staff member
9 for the Illinois Commerce Commission. I have a
10 few questions for Mr. Shmikler. Am I saying it
11 right?

12 A. That was very good. Thank you. Shmikler.

13 Q. First off, does EZ RECONNECT, LLC plan to
14 acquire any telecommunication facilities in
15 Illinois?

16 A. Not initially, but it is our intent once
17 we build the company to a certain level that we
18 will probably do so.

19 Q. Okay. Is it true that you are requesting
20 the waiver to keep your accounting records in the
21 form compliant to USOA? Are you requesting a
22 waiver of Part 710?

1 A. I believe so. Is that correct, Pat?

2 MR. CROCKER: Yeah, that's correct.

3 BY MS. CHIN:

4 Q. Okay. So you'd like to keep your company

5 books and records in compliance to GAP, is that

6 true?

7 A. Yes, it is.

8 Q. I am looking at your background. Did you

9 personally prepare your company records and

10 financial statements?

11 A. Yes.

12 Q. You do. So this attachment E, I

13 believe --

14 A. Yes.

15 Q. -- the financial information is prepared

16 by you?

17 A. Yes.

18 Q. Okay. Do you know that this financial

19 statement is not according to GAP?

20 A. Well, we are in a start-up situation right

21 now and before I turn this over to my accountant

22 for actual operations, which we will be doing so

1 as soon as we start operating, all the records
2 and accounting records will be turned over to my
3 accountant and they will provide all services in
4 accordance with GAP.

5 Q. Okay. It's just that something had come
6 to my attention is that GAP requires accrued
7 format which I know by this time you have accrued
8 some start-up costs as well as legal expenses?

9 A. Yeah. Well, actually --

10 MR. CROCKER: I object somewhere -- for some
11 reason. Or do you object, Mark?

12 THE WITNESS: No. I thought you were doing
13 this as a favor, Patrick.

14 BY MS. CHIN:

15 Q. Oh, okay. So that just came to my
16 attention because it is important that we do
17 follow GAP in order for this Commission to waive
18 that USOA --

19 A. I absolutely guarantee that our records
20 will be kept in accordance with GAP.

21 Q. Okay. Now, with another issue that came
22 to my attention is that this other manager which

1 is Gentile?

2 A. Yes.

3 Q. Okay. What is his background as far as
4 telecommunications?

5 A. Mr. Gentile is president and owner of
6 DialCom Systems, Inc., which is the second
7 largest private pay phone provider in the state
8 of Illinois. He has been in business since 1985
9 and he has extensive background with
10 telecommunications over the last 17 years. He's
11 very knowledgeable.

12 Q. Okay. Are you and Mr. Gentile both -- are
13 officers of Data Net Systems, LLC?

14 A. No, we're not.

15 Q. Just you?

16 A. No, I'm not an officer of Data Net Systems
17 either. We are both officers of the Illinois
18 Public Telecommunications Association.

19 Q. Okay.

20 A. Which is an association for pay phone
21 providers and other public telecommunications
22 providers.

1 Q. Okay. So I guess I'm not clear. In which
2 way are you involved in Data Net Systems?

3 A. We're just small shareholders. We're
4 stockholders, that's all.

5 Q. Stockholders as to what quantity of stocks
6 do you own?

7 A. I own slightly less than 1 percent and
8 Mr. Gentile, I believe owns around 4 percent.

9 MS. CHIN: Okay. This is all the questions I
10 have, your Honor.

11 JUDGE SAINSOT: I just have a few little
12 follow-up questions.

13 EXAMINATION

14 BY

15 JUDGE SAINSOT:

16 Q. Mr. Shmikler, what kind of services are
17 you planning to provide with EZ RECONNECT when
18 you first start-up in Illinois?

19 A. When we first start our intention is to
20 provide prepaid telephone service for the prepaid
21 market. In other words, people who can't qualify
22 for one reason or another to get telephone

1 service with Ameritech.

2 Q. Okay. And I noticed that you plan to use
3 telemarketers.

4 A. Well, that's -- we really don't. Down the
5 road, we will have a call center and we will be
6 doing some telemarketing, but mostly as follow-up
7 to our customers to make sure payments are in on
8 time, to make sure -- for other reasons.

9 Our primary motivation -- our primary --
10 what's the word I'm looking for -- the primary
11 way we will get business is through advertising
12 on our pay phones, advertising in the newspaper
13 and through the media, if people will call us.

14 Q. Okay. Thanks. Could you briefly describe
15 what procedures you will have in place to prevent
16 slamming and cramming.

17 A. Well, the -- when people place their
18 order, we will go through an in-house procedure
19 that we have yet to develop to verify that they
20 are the owner of the property, where the lines
21 are going to go, and that they are giving us
22 authority to either order new service for their

1 home or change their service through a
2 third-party verification or through a written
3 letter of authorization.

4 Q. Okay. Thanks. I just have one more
5 question. On the 9-1-1 question sheet, question
6 5 -- in your answer to question 5, you stated
7 that Ameritech will update the 9-1-1 database.
8 Do you -- are you aware of the fact it's your
9 responsibility to provide Ameritech with updated
10 information regarding the 9-1-1 database on a
11 daily basis?

12 A. Yes, I am.

13 MS. SAINSOT: That being the case, the record
14 will be marked heard and taken.

15 Is there anything else we need to
16 discuss?

17 MR. CROCKER: I don't think so, your Honor.

18 JUDGE SAINSOT: Okay.

19 (Heard and taken.)

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